

Message Text

CONFIDENTIAL

PAGE 01 PARIS 29657 01 OF 04 072029Z
ACTION EUR-12

INFO OCT-01 EA-10 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 TRSE-00 IO-13 ACDA-12 AID-05 CEA-01
COME-00 EB-08 FRB-03 STR-07 LAB-04 SIL-01 OMB-01
AGRE-00 /141 W

-----004589 072051Z /75

R 071947Z SEP 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 7069
INFO ALL EC CAPITALS
AMEMBASSY MADRID
USMISSION USNATO
AMEMBASSY LISBON
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY PRAGUE
AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY SOFIA
AMEMBASSY TRIPOLI
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 01 OF 04 PARIS 29657

USEEC

E.O. 11652: GDS
TAGS: FR
SUBJECT: GISCARD: SITTING PRETTY

REF: PARIS 21494

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 29657 01 OF 04 072029Z

SUMMARY. AS THE SUMMER PAUSE COMES TO AN END, GISCARD
CAN LOOK TO THE COMING YEAR WITH JUSTIFIABLE CONFIDENCE.
HE HAS LEARNED TO USE THE FRENCH PRESIDENCY SKILLFULLY,
HAS DEVELOPED AN EFFECTIVE PRESIDENTIAL STYLE, AND
HAS PRESERVED A HIGH PERSONAL STANDING IN THE OPINION
POLLS. WE EXPECT FROM GISCARD A YEAR OF ACTIVISM,
PROBABLY ON FOUR FRONTS. FIRST, HE WILL SEEK TO

INTENSIFY THE RESTRUCTURING - RADICAL IN ITS IMPLICATIONS - OF THE FRENCH ECONOMY. HE IS TAKING A GAMBLE. MAJOR ASPECTS OF HIS ECONOMIC PROGRAM - E.G. THE FREEING OF PRICES AND THE WITHDRAWAL OF GOVERNMENT SUPPORT FROM INEFFICIENT INDUSTRIES - RUN THE RISK OF GENERATING SOCIAL UNREST. SECOND, GISCARD WILL TRY TO PROVIDE NEW IMPETUS TO THE BREAKDOWN OF THE SOCIAL AND POLITICAL DIVISIONS IN FRANCE. HIS OPENING TO THE LEFT HAS FEW SHORT-TERM PROSPECTS FOR SUCCESS, THOUGH THE EUROPEAN PARLIAMENT ELECTIONS (IN WHICH GISCARD'S PARTY AND THE SOCIALISTS ARE LIKELY TO BE ON THE SAME SIDE) OFFER SOME OPPORTUNITIES. THIRD, GISCARD WILL TREAT 1979 AS A "YEAR OF EUROPE" WITH THE EC ELECTIONS AND, MORE IMPORTANT, THE FRENCH ASSUMPTION OF THE EC PRESIDENCY ON JANUARY 1. THERE IS A POSSIBILITY THAT GISCARD WILL MOVE HIS TOP ADVISER, ELYSEE SECRETARY-GENERAL FRANCOIS-PONCET, TO THE FOREIGN OFFICE TO BETTER POSITION THE GOF FOR ITS EUROPEAN ROLE. FOURTH, GISCARD WILL TRY TO ENLARGE FRANCE'S ROLE ON THE WORLD STAGE. VISITS TO BRAZIL AND ROMANIA ARE SCHEDULED; AND A TRIP TO FRANCE BY CHINESE LEADER HUA KUO-FENG IS EXPECTED. IN ALL THESE GISCARDIAN ENDEAVORS SUCCESS IS NOT ASSURED. HIS ECONOMIC GAMBLE COULD FAIL. HE COULD MISPLAY HIS OVERTURES TO THE LEFT, FAILING TO ATTRACT THE SOCIALISTS BUT ALIENATING THE GAULLISTS. HIS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 29657 01 OF 04 072029Z

PARTY COULD LOSE IN THE EUROPEAN ELECTIONS, WHICH WILL BE READ IN FRANCE AS A PREVIEW OF THE 1981 PRESIDENTIAL ELECTION. AS OF NOW, HOWEVER, GISCARD'S PROSPECTS LOOK GOOD. END SUMMARY.

1. JUST A YEAR AGO GISCARD WAS LOW IN PUBLIC ESTEEM, GENERALLY CONSIDERED INEFFECTIVE AND HESITANT, AND UP AGAINST A LEFT ELECTORAL COALITION WHICH WAS AN ODDS-ON FAVORITE TO DEPRIVE HIS GOVERNMENT OF A PARLIAMENTARY MAJORITY. TODAY HE HAS NEVER LOOKED STRONGER. HE HAS GOTTEN THROUGH THE ELECTION WITH HIS MAJORITY INTACT AND WITH THE REPUTATION OF HAVING MADE A PERSONAL CONTRIBUTION TO THE VICTORY THROUGH TWO WELL-TIMED INTERVENTIONS IN THE CAMPAIGN. HE HAS INSPIRED THE CREATION OF A MAJOR POLITICAL ORGANIZATION DEVOTED TO HIS PHILOSOPHY. HE HAS MANAGED TO LOOK INNOVATIVE IN HIS CO-SPONSORING (WITH SCHMIDT) OF A NEW EUROPEAN MONETARY SYSTEM AND IN HIS DISARMAMENT PROPOSALS (AND TO WIN SOME SUPPORT FOR THEM AT THE UN SPECIAL SESSION ON DISARMAMENT LAST SPRING) AND TO LOOK DECISIVE IN HIS DISPATCH OF FRENCH TROOPS TO SHABA TO PROTECT EUROPEAN CITIZENS THERE. HE HAS KEPT THE LID ON

SOCIAL UNREST WHILE PROMULGATING AN ECONOMIC PROGRAM
WITH POTENTIALLY RADICAL STRUCTURAL IMPLICATIONS.
AND HE HAS MAINTAINED AN UNPRECEDENTED POPULARITY LEVEL
IN THE OPINION POLLS. THE FRENCH PRESIDENT NOW APPEARS
TO HAVE NO CHALLENGER AMONG EUROPEAN LEADERS IN THE
DEGREE OF FLEXIBILITY HE ENJOYS FOR IMPLEMENTING HIS
POLICIES.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 29657 02 OF 04 080418Z
ACTION EUR-12

INFO OCT-01 EA-10 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 TRSE-00 IO-13 ACDA-12 AID-05 CEA-01
COME-00 EB-08 FRB-03 STR-07 LAB-04 SIL-01 OMB-01
AGRE-00 /141 W

-----009108 080431Z /23/75

R 071947Z SEP 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 7070
INFO ALL EC CAPITALS
AMEMBASSY MADRID
USMISSION USNATO
AMEMBASSY LISBON
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY PRAGUE
AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY SOFIA
AMEMBASSY TRIPOLI
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 02 OF 04 PARIS 29657

C O R R E C T E D C O P Y (TEXT PARA TWO)

USEEC

2. GISCARD HAS, AFTER SEVERAL YEARS OF FLOUNDERING,

ACHIEVED A PRESIDENTIAL STYLE THAT THE FRENCH PEOPLE
SEEM TO FIND COMPATIBLE. LACKING DEGAULLE'S HEROIC
OLYMPICISM AND POMPIDOU'S COMMON TOUCH, HE HAS COME
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 29657 02 OF 04 080418Z

TO EMBODY ANOTHER TRAIT WHICH THE FRENCH VALUE HIGHLY:
INTELLECTUAL EMINENCE. TO HIS EARLY REPUTATION AS AN ACADEMIC
WUNDERKIND, HE HAS SOUGHT TO ADD (WITH
CONSIDERABLE SUCCESS IN THE PUBLIC EYE) THE QUALITIES
OF RATIONALITY, HUMANIS, AND STEADINESS. HIS PRESS
CONFERENCES, HIS SPEECHES, AND HIS PERIODIC "SEMINARS"
WITH HIS CABINET REFLECT A LEADER FULLY ON TOP OF HIS
BRIEF, WITH A CLEAR IDEA OF WHERE HE WANTS TO GO, AND
A TRANQUIL CONFIDENCE THAT HE KNOWS HOW TO GET THERE.
HE HAS A KNACK FOR EXPLOITING THE HUMANE ASPECTS OF
HIS POLICES-E.G. ON THE SHABA RESCUE OPERATION AND
THE DECISION TO CANCEL THE REPROCESSING DEAL WITH
PAKISTAN. HE HAS SHOWN AN ABILITY TO TURN LUCK TO
ADVANTAGE; HIS WELL-PUBLICIZED CONVICTION THAT THE
MAJORITY WOULD WIN THE MARCH ELECTION BROUGHT HIM
MORE OF THE CREDIT FOR ITS VICTORY THAN HE DESERVED.
HE HAS SKILLFULLY USED THE INSTITUTIONAL ADVANTAGES
OF THE FRENCH PRESIDENCY-LIKE NO OTHER EUROPEAN
LEADER, HE HAS A FIXED TERM WHICH IS NOT DEPENDENT
ON THE VAGARIES OF POLITICS OR PARLIAMENTS-TO
SPEAK IN THE NAME OF ALL FRANCE AND TO PLACE HIMSELF
ABOVE THE CRITICISM THAT ACCRES TO HIS GOVERNMENT
AND HIS PRIME MINISTER.

3. GISCARD HAS, THEN, AMPLE CAUSE FOR PERSONAL
SATISFACTION. BUT HE IS NOT LIKELY TO REST ON HIS
SUCCESSES. HE HAS AMBITIOUS PLANS FOR FRANCE, BOTH
INTERNALLY AND EXTERNALLY, AND WE EXPECT INCREASING
PRESIDENTIAL ACTIVISM NOW THAT HE HAS MORE RUNNING
ROOM THAN EVER BEFORE. OVER THE NEXT YEAR WE EXPECT
GISCARD'S PRIORITIES -- ALL OF THEM INTERCONNECTED --
TO BE ROUGHLY AS FOLLOWS:

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 29657 02 OF 04 080418Z

-- TO INTENSIFY THE RESTRUCTURING OF THE FRENCH ECONOMY.

-- TO PROVIDE NEW IMPETUS TO THE BREAKING DOWN OF THE
SOCIAL AND POLITICAL DIVISIONS IN THE COUNTRY.

-- TO GIVE FRANCE A CATALYTIC ROLE IN THE PROCESS OF

STRENGTHENING WESTERN EUROPE.

-- TO GIVE AN EVEN MORE GLOBAL NATURE TO FRANCE'S
FOREIGN POLICY.

4. THE ECONOMIC PRIORITY. GISCARD TOOK A WINNING
GAMBLE IN GOING INTO LAST MARCH'S ELECTIONS WITH A
PROGRAM OF ECONOMIC AUSTERITY. HE IS TAKING NO LESS
A RISK IN PURSUING, IN THE ELECTION AFTERMATH, A
PRICE POLICY DESIGNED TO UNBLOCK THE FRENCH
ECONOMY FROM THE TRADITIONAL SYSTEM OF PRICE CONTROLS
AND AN INDUSTRIAL POLICY DESIGNED TO ENCOURAGE THE
MORE EFFICIENT INDUSTRIES AT THE EXPENSE OF LETTING
THE LESS EFFICIENT GO UNDER. THE NEXT YEAR SHOULD
TELL WHETHER HE CAN LAY THE LONG-TERM BASIS FOR A
MORE PRODUCTIVE AND COMPETITIVE FRENCH ECONOMY WITHOUT
GENERATING SOCIAL UNREST - OVER UNEMPLOYMENT AND
INFLATION - SERIOUS ENOUGH TO CAUSE HIS PROGRAM TO
EITHER FAIL OR BE REVERSED. GISCARD HAS NOT YET
FACED THE TASK OF PUSHING THE FRENCH ECONOMY TO GROW
FAST ENOUGH TO MAKE A DENT ON UNEMPLOYMENT WITHOUT
UNACCEPTABLE INFLATIONARY AND BALANCE OF PAYMENTS
RISKS. GISCARD'S PERSONAL STANDING IS PROTECTED TO
SOME DEGREE BY THE FACT THAT HIS ECONOMIC PROGRAM IN
THE PUBLIC'S MIND IS ASSOCIATED WITH PRIME MINISTER
BARRE MORE THAN WITH GISCARD. IT IS BARRE, NOT
GISCARD, WHO IS SUFFERING IN THE PUBLIC OPINION
POLLS FOR THE PROGRAM'S UNPOPULARITY. IN THE EVENT
OF FAILURE, BARRE WOULD BE EXPENDABLE; EVEN SO, THE
SETBACK FOR GISCARD WOULD BE CONSIDERABLE.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PARIS 29657 02 OF 04 080418Z

5. THE "REASONABLE COHABITATION" PRIORITY. GISCARD'S
OPENING TO THE LEFT, ANNOUNCED JUST AFTER THE
ELECTIONS AS AN EFFORT AT "REASONABLE COHABITATION,"
HAS SO FAR BEEN LIMITED TO A PRESIDENTIAL DIALOGUE
WITH LEFT POLITICAL AND LABOR LEADERS, TOGETHER WITH
THE APPOINTMENT OF FORMER LEFT RADICAL LEADER ROBERT
FABRE AS A SPECIAL CONSULTANT ON UNEMPLOYMENT.
THE MOST SIGNIFICANT FOLLOW-UP SO FAR TO GISCARD'S
APPEAL TO THE LEFT HAS BEEN CFDT UNION CHIEF EDMOND

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 29657 03 OF 04 072022Z
ACTION EUR-12

INFO OCT-01 EA-10 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 TRSE-00 IO-13 ACDA-12 AID-05 CEA-01
COME-00 EB-08 FRB-03 STR-07 LAB-04 SIL-01 OMB-01
AGRE-00 /141 W

-----004527 072054Z /75

R 071947Z SEP 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 7071
INFO ALL EC CAPITALS
AMEMBASSY MADRID
USMISSION USNATO
AMEMBASSY LISBON
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY PRAGUE
AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY SOFIA
AMEMBASSY TRIPOLI
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 03 OF 04 PARIS 29657

USEEC

MAIRE'S EXPRESSED WILLINGNESS TO TAKE A MORE MODERATE
AND LESS IDEOLOGICAL LINE IN THE NEGOTIATIONS BETWEEN
LABOR AND INDUSTRY WHICH WILL BEGIN IN EARNEST LATER
THIS MONTH. MAIRES CHANGE OF LINE WAS PROMPTED BY
THE CFDT'S LOSS OF STRENGTH AS A RESULT OF ITS
IGNORING OF BREAD-AND-BUTTER ISSUES, RATHER THAN BY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 29657 03 OF 04 072022Z

GISCARD'S OVERTURE. BUT GISCARD CAN PLAY THE RESULTS -
IF POSITIVE - AS A LEFT RESPONSE TO HIS APPEAL. THERE
IS LITTLE POSSIBILITY, HOWEVER, THAT GISCARD'S MAIN
TARGET - THE SOCIALIST PARTY (PS) - WILL MOVE SIGNIFI-
CANTLY CLOSER TO THE CENTER; IT REMAINS CONVINCED
THAT TO DO SO WOULD ONLY STRENGTHEN THE COMMUNISTS
TO ITS LEFT. THE EUROPEAN PARLIAMENT ELECTIONS SCHED-

ULED FOR JUNE 1979 MAY GIVE GISCARD SOME OPPORTUNITIES TO PRESS HIS APPEAL TO THE LEFT, SINCE THE GISCARDIAN UDF AND THE PS SHARE A PRO-EUROPEAN ORIENTATION (WHILE THE GAULLIST RPR AND THE COMMUNISTS ARE FAR MORE NEGATIVE TOWARD EUROPE). ON THE OTHER HAND, THE PS AND THE UDF WILL BE COMPETING FOR SOME OF THE SAME PRO-EUROPEAN VOTE, A FACTOR WITH AS MUCH POTENTIAL FOR SEPARATING THE TWO PARTIES AS OR BRINGING THEM TOGETHER.

6. THE EUROPEAN PRIORITY. IT WOULD BE NO EXAGGERATION TO SAY THAT FOR GISCARD 1979 WILL BE A GENUINE "YEAR OF EUROPE." THE EUROPEAN PARLIAMENT ELECTIONS ARE ONE ASPECT OF THIS, EVEN THOUGH THE FOUR MAJOR FRENCH POLITICAL PARTIES, GISCARD'S INCLUDED, SEE THE ELECTIONS MORE AS A DOMESTIC PRIMARY CONTEST (REFLECTING THEIR RELATIVE STRENGTH IN ANTICIPATION OF THE 1981 FRENCH PRESIDENTIAL ELECTION) THAN AS A REFERENDUM ON EUROPEAN ISSUES. ANOTHER ASPECT IS GISCARD'S DESIRE TO MAKE THE FRENCH EC PRESIDENCY, WHICH BEGINS JANUARY 1, A SIGNIFICANT PERIOD OF PROGRESS ON EUROPEAN ISSUES. HE NO DOUBT HOPES THAT THE EUROPEAN MONETARY INITIATIVE CAN RECEIVE MAJOR IMPETUS IN THAT TIME FRAME. MOREOVER, HIS RECENT VISITS TO SPAIN AND PORTUGAL HAVE HELPED POSITION HIM FOR A KEY ROLE IN EC ENLARGEMENT AS AN ARBITER BETWEEN NORTHERN AND SOUTHERN EUROPE; IN THIS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 29657 03 OF 04 072022Z

HE WILL BE CONSTRAINED SOMEWHAT BY DOMESTIC PRESSURES FROM THE AGRICULTURAL SECTOR AGAINST ENLARGEMENT. THERE ARE REPORTS THAT WITHIN THE NEXT FEW WEEKS GISCARD WILL MAKE HIS MOST TRUSTED ADVISER, ELYSEE SECRETARY GENERAL FRANCOIS-PONCET, FOREIGN MINISTER IN ORDER TO ENSURE THAT THE QUAI HANDLES ITS EC RESPONSIBILITIES TO GISCARD'S LIKING. (FRANCOIS-PONCET WAS SECRETARY OF THE FRENCH DELEGATION THAT NEGOTIATED THE CREATION OF THE EEC.) WE BELIEVE THAT SUCH A MOVE IS ENTIRELY POSSIBLE, PERHAPS AS PART OF A LONGER-RANGE GISCARDIAN STRATEGY WHICH MAY ULTIMATELY ELEVATE FRANCOIS-PONCET TO PRIME MINISTER.

7. THE GLOBAL PRIORITY. PARIS 21494 OUTLINED THE INCREASING GLOBAL REACH OF FRENCH FOREIGN POLICY. DURING THE COMING YEAR GISCARD, TO THE EXTENT HIS EUROPEAN PREOCCUPATIONS ALLOW HIM, WILL SEEK TO MAGNIFY FRANCE'S GLOBAL INFLUENCE. HE HAS ALREADY INCREASED FRENCH ENGAGEMENT IN AFRICA, IN THE UN, AND IN THE DISARMAMENT AREA. HE WILL VISIT BRAZIL IN OCTOBER (AN OCCASION TO EXPOUND A FRAMEWORK POLICY TOWARD LATIN AMERICA) AND ROMANIA EARLY NEXT YEAR (AN OPPORTUNITY

TO EMPHASIZE FRENCH INTERESTS IN EASTERN EUROPE AS
WELL AS THE COMMON COMMITMENT OF THE TWO COUNTRIES TO
AN INDEPENDENT ROLE WITHIN THEIR RESPECTIVE CONSTELLA-
TIONS). TWO FACTORS MAKE THIS AN AUSPICIOUS PERIOD
FOR AN ESCALATION OF FRANCE'S INTERNATIONAL
AUTHORITY AND PRESTIGE. THE FIRST IS THE PERCEIVED
DECLINE OF THE POTENCY OF THE US; THE SECOND IS THE
RISE OF POST-MAO CHINA AS AN INTERNATIONAL ACTOR.
THE RELATIVE DECLINE IN AMERICAN POWER, WHILE
NOT A WELCOME DEVELOPMENT TO GISCARD, PRESENTS BOTH
AN OBLIGATION AND AN OPPORTUNITY FOR FRANCE TO TAKE UP
SOME OF THE SLACK. FRANCE'S FORWARD POLICY IN AFRICA
AND GISCARD'S MAJOR ROLE IN THE EC MONETARY INITIATIVE
ARE - IN PART - REFLECTIONS OF HIS CALCULATION OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PARIS 29657 03 OF 04 072022Z

US WILL AND CAPABILITY. AS FOR CHINA, ITS ACCELERATING
MOMENTUM ON THE WORLD SCENE INCREASES THE INTERNATIONAL
COMBINATIONS AVAILABLE TO FRANCE, ANOTHER SECOND-
LEVEL POWER WITH A LONG-STANDING ORIENTATION OPPOSING
SUPER-POWERS. GISCARD WILL UNDOUBTEDLY SEEK TO MAKE
A VISIT BY HUA KUO-FENG, IF AND WHEN IT TAKES PLACE,
A WORLD-CLASS EVENT.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PARIS 29657 04 OF 04 072018Z

ACTION EUR-12

INFO OCT-01 EA-10 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05

H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02

SS-15 ICA-11 TRSE-00 IO-13 ACDA-12 AID-05 CEA-01

COME-00 EB-08 FRB-03 STR-07 LAB-04 SIL-01 OMB-01

AGRE-00 /141 W

-----004484 072055Z /75

R 071947Z SEP 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7072

INFO ALL EC CAPITALS

AMEMBASSY MADRID

USMISSION USNATO
AMEMBASSY LISBON
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY PRAGUE
AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY SOFIA
AMEMBASSY TRIPOLI
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L SECTION 04 OF 04 PARIS 29657

USEEC

8. THE ABOVE ANALYSIS OF GISCARD'S PRIORITIES INDICATES THE RICHNESS OF THE TAPESTRY THAT STRETCHES BEFORE HIM. REMEMBERING HOW HIS FORTUNES HAVE SOARED AGAINST ALL PREDICTIONS A YEAR AGO, HE IS NO DOUBT AWARE OF HOW EASILY THEY COULD PLUMMET. WHAT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 29657 04 OF 04 072018Z

COULD GO WRONG? WE SEE FOUR POSSIBLE PITFALLS:

-- FIRST, HIS ECONOMIC GAMBLE COULD FAIL. GISCARD WILL NOT HAVE MUCH TIME TO CONSOLIDATE THE ECONOMIC RESTRUCTURING HE HAS BEGUN OR TO GET THE FRENCH ECONOMY MOVING FORWARD AGAIN. THE GOF, AFTER ALL, IS NOT EVEN IN A POSITION TO CONTROL THE DOMESTIC (NOT TO SAY INTERNATIONAL) VARIABLES IN THE CURRENT SITUATION. A FIGARO END-OF-VACATION POLL SHOWED FRENCH PEOPLE DEEPLY PESSIMISTIC ABOUT UNEMPLOYMENT AND INFLATION AND READY TO PREDICT SOCIAL CONFLICTS. AN ECONOMIC SETBACK COULD, WORST-CASE FROM GISCARD'S VIEWPOINT, NECESSITATE THE SCRAPPING OF A SENSIBLE AND COHERENT ECONOMIC PROGRAM, LEAD TO A POLITICAL REPOLARIZATION OF FRANCE, AND -- EVEN IF BARRE IS MADE THE SCAPEGOAT -- DAMAGE GISCARD'S POLITICAL POSITION.

-- SECOND, IN THE DOMESTIC POLITICAL ARENA GISCARD COULD FAIL TO CONSOLIDATE HIS ELECTION VICTORY (WHICH WAS DUE AS MUCH TO THE DIVISIONS OF THE LEFT AS TO THE APPEAL OF THE MAJORITY) AND LOSE THE HOPE OF MAKING FRANCE GOVERNABLE FROM THE CENTER. HIS OPENINGS TO THE LEFT HAVE SO FAR SHOWN A GREATER KNACK FOR PUBLICITY THAN SUBSTANCE, AND ELECTION FEVER IS

LIKELY TO OVERTAKE THE COUNTRY BEFORE HE IS ABLE TO APPRECIABLY CHANGE THE PRESENT POLITICAL DIVISIONS. HE IS, AFTER ALL, BUCKING A TRADITION OF LEFT-RIGHT DIVISION DATING BACK TO THE FRENCH REVOLUTION. COMPOUNDING THIS PROBLEM IS THE DILEMMA OF ALIENATING THE RPR, HALF OF HIS MAJORITY, FOR EVERY GESTURE HE DECIDES TO MAKE TOWARD THE OPPOSITION. UNLESS HE PLAYS HIS CARDS WELL, GISCARD'S OPENING TO THE LEFT COULD COST HIM HIS POLITICAL BASE BY FAILING

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PARIS 29657 04 OF 04 072018Z

TO ATTRACT SOCIALISTS WHILE ALIENATING GAULLISTS.

-- THIRD, HIS PARTY COULD TAKE A DRUBBING IN THE EUROPEAN PARLIAMENT ELECTIONS, PRIMARILY BECAUSE OF A BACKLASH VOTE AGAINST THE GOF'S ECONOMIC POLICY. SINCE THE ELECTIONS WILL BE READ IN FRANCE AS A PREVIEW OF 1981, A NEGATIVE OUTCOME FOR GISCARD COULD GIVE IMPETUS TO HIS MAJOR RIVALS, MITTERRAND (OR SOME OTHER POTENTIAL SOCIALIST CANDIDATE) AND CHIRAC. IN ADDITION TO PUTTING A SECOND GISCARDIAN PRESIDENCY IN JEOPARDY, SUCH AN OUTCOME COULD SEVERELY INHIBIT GISCARD'S CAPACITY TO GOVERN FOR THE REMAINING TWO YEARS OF HIS TERM.

-- FOURTH, AND MORE GENERALLY, THE OBVERSE OF THE ASSETS DISCUSSED IN PARAGRAPH 2 IS A CERTAIN FRAGILITY IN GISCARD'S POPULARITY AND STANDING IN THE COUNTRY. HIS PERSONALITY IS NEITHER COLORFUL NOR ENDEARING; HE COMES ACROSS AS ALOOF AND EVEN COLD. HE LACKS A RESERVE OF POPULAR SUPPORT INDEPENDENT OF HIS ACTIONS. FRENCH PEOPLE WILL MEASURE HIM BY WHAT HE DOES OR FAILS TO DO. IF THEY RESPECT HIM TODAY FOR HIS RATIONALITY, THEY WILL RESPECT HIM TOMORROW ONLY IF THEY CONTINUE TO BELIEVE HIS POLICIES RATIONAL.

9. GISCARD, THEN, IS NOT HOME FREE. STILL, HE IS IN AN ENVIABLE POSITION AS HE SURVEYS THE TERRAIN OVER THE NEXT YEAR. IF ALL GOES WELL, HE CAN DARE TO SEE HIMSELF IN A YEAR'S TIME AS UNDISPUTEDLY THE STRONGEST LEADER IN EUROPE, GOVERNING A COUNTRY WITH ITS INTERNAL DIVISIONS REDUCED, WITH A STABLE ECONOMY, WITH A EUROPEAN VOCATION BASED ON A CLEAR SENSE OF NATIONAL INDEPENDENCE, AND WITH A GLOBAL ROLE. PIPE DREAM? MAYBE. BUT AT THIS WRITING, IT ISN'T BEYOND THE BOUNDS OF CREDIBILITY.

HARTMAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PARIS 29657 04 OF 04 072018Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, POLITICAL STABILITY, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS29657
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780365-0105
Format: TEL
From: PARIS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780993/aaaaczcy.tel
Line Count: 551
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 46fe6856-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 PARIS 21494
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1519280
Secure: OPEN
Status: NATIVE
Subject: GISCARD: SITTING PRETTY
TAGS: PINT, PINR, FR, (GISCARD D'ESTAING, VALERY)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/46fe6856-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014